

## Assembly Constitutional Amendment

No. 27

**Introduced by Assembly Member Thompson**

April 11, 2000

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Assembly Constitutional Amendment No. 27—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 19 of Article IV thereof, relating to gambling.

LEGISLATIVE COUNSEL'S DIGEST

ACA 27, as introduced, Thompson. Gambling: ban on further expansion.

The California Constitution generally provides that the Legislature has no power to authorize lotteries and shall prohibit the sale of lottery tickets in the state, but specifically provides for the operation of the California State Lottery and empowers the Legislature to authorize cities and counties to provide for bingo games conducted for charitable purposes, and to authorize private, nonprofit, eligible organizations to conduct raffles subject to specified expenditure and operational requirements. The California Constitution also provides that the Legislature may provide for the regulation of horse racing and wagering on the results, and shall prohibit casinos of the type currently operating in Nevada and New Jersey. The California Constitution further provides that, notwithstanding its provisions prohibiting lotteries and casinos and subject to ratification by the Legislature, the Governor is authorized to negotiate and conclude tribal-state gaming compacts for the operation of slot machines and for

the conduct of lottery games and banking and percentage card games by federally recognized tribes on Indian lands in California in accordance with federal law. In addition, existing statutory law authorizes the operation of gambling establishments, subject to specified licensing requirements and substantive gaming restrictions, and satellite wagering facilities, but prohibits bookmaking, craps, and roulette, and, with the exception of tribal gaming, generally prohibits slot machines and banking and percentage games played with cards, dice, or devices, including the game of 21.

This measure would provide that the Legislature, the people by initiative statute, the Governor or appointees of the Governor, an administrative agency, or local government may not authorize the operation of any form of gambling, or any gambling or wagering game or derivation thereof, that is not lawfully conducted as of the effective date of this measure, any increase in the number of slot machines on tribal lands beyond the total number of machines that have been approved by operation of previously executed and ratified tribal-state gaming compacts, or any increase in the total number of bingo parlors, horse racing or wagering facilities, California Lottery retailers, card clubs, tribal casino facilities, or any other category of gaming establishment.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

1 *Resolved by the Assembly, the Senate concurring, That*  
2 *the Legislature of the State of California at its 1999–2000*  
3 *Regular Session commencing on the seventh day of*  
4 *December 1998, two-thirds of the membership of each*  
5 *house concurring, hereby proposes to the people of the*  
6 *State of California that the Constitution of the State be*  
7 *amended by amending Section 19 of Article IV thereof,*  
8 *to read:*

9 *First—That Section 19 of Article IV is amended to read:*

10 SEC. 19. (a) The Legislature has no power to  
11 authorize lotteries, and shall prohibit the sale of lottery  
12 tickets in the State, *except as follows:*

13 *(1) The establishment of a California State Lottery is*  
14 *authorized.*



1 (2) *The Legislature, by statute, may authorize cities*  
2 *and counties to provide for bingo games, but only for*  
3 *charitable purposes.*

4 (3) *The Legislature may authorize private, nonprofit,*  
5 *eligible organizations, as defined by the Legislature, to*  
6 *conduct raffles as a funding mechanism to provide*  
7 *support for their own or another private, nonprofit,*  
8 *eligible organization's beneficial and charitable works,*  
9 *provided that (1) at least 90 percent of the gross receipts*  
10 *from the raffle go directly to beneficial or charitable*  
11 *purposes in California, and (2) any person who receives*  
12 *compensation in connection with the operation of a raffle*  
13 *is an employee of the private nonprofit organization that*  
14 *is conducting the raffle. The Legislature, two-thirds of the*  
15 *membership of each house concurring, may amend the*  
16 *percentage of gross receipts required by this subdivision*  
17 *to be dedicated to beneficial or charitable purposes by*  
18 *means of a statute that is signed by the Governor.*

19 (b) *The Legislature may provide for the regulation of*  
20 *horse races and horse race meetings and wagering on the*  
21 *results.*

22 ~~(c) Notwithstanding subdivision (a), the Legislature~~  
23 ~~by statute may authorize cities and counties to provide for~~  
24 ~~bingo games, but only for charitable purposes.~~

25 ~~(d) Notwithstanding subdivision (a), there is~~  
26 ~~authorized the establishment of a California State~~  
27 ~~Lottery.~~

28 ~~(e) The Legislature has no power to authorize, and~~  
29 ~~shall prohibit, casinos of the type currently operating in~~  
30 ~~Nevada and New Jersey.~~

31 ~~(f)~~

32 (d) *Notwithstanding subdivisions (a) and (e) (c), and*  
33 *any other provision of state law, the Governor is*  
34 *authorized to negotiate and conclude compacts, subject*  
35 *to ratification by the Legislature, for the operation of slot*  
36 *machines and for the conduct of lottery games and*  
37 *banking and percentage card games by federally*  
38 *recognized Indian tribes on Indian lands in California in*  
39 *accordance with federal law. Accordingly, slot machines,*  
40 *lottery games, and banking and percentage card games*

1 are hereby permitted to be conducted and operated on  
2 tribal lands subject to those compacts.

3 ~~(f) Notwithstanding subdivision (a), the Legislature~~  
4 ~~may authorize private, nonprofit, eligible organizations,~~  
5 ~~as defined by the Legislature, to conduct raffles as a~~  
6 ~~funding mechanism to provide support for their own or~~  
7 ~~another private, nonprofit, eligible organization's~~  
8 ~~beneficial and charitable works, provided that (1) at least~~  
9 ~~90 percent of the gross receipts from the raffle go directly~~  
10 ~~to beneficial or charitable purposes in California, and (2)~~  
11 ~~any person who receives compensation in connection~~  
12 ~~with the operation of a raffle is an employee of the private~~  
13 ~~nonprofit organization that is conducting the raffle. The~~  
14 ~~Legislature, two-thirds of the membership of each house~~  
15 ~~concurring, may amend the percentage of gross receipts~~  
16 ~~required by this subdivision to be dedicated to beneficial~~  
17 ~~or charitable purposes by means of a statute that is signed~~  
18 ~~by the Governor.~~

19 *(e) A statutory or other action of the Legislature, a*  
20 *statutory measure enacted by initiative, an executive or*  
21 *other action of the Governor, his or her appointees, or an*  
22 *administrative agency of this state, or an action of a local*  
23 *government, including a charter city, may not authorize*  
24 *any of the following to occur on or after the effective date*  
25 *of this subdivision:*

26 *(1) The operation of any form of gambling, or any*  
27 *gambling or wagering game or derivation thereof, that is*  
28 *not lawfully conducted as of the effective date of this*  
29 *subdivision.*

30 *(2) Any increase in the number of slot machines on*  
31 *tribal lands beyond the total number of machines that, as*  
32 *of the effective date of this subdivision, have been*  
33 *approved by operation of tribal-state gaming compacts*  
34 *executed and ratified in accordance with subdivision (d).*

35 *(3) Any increase in the total number of bingo parlors,*  
36 *horse racing or wagering facilities, California Lottery*  
37 *retailers, card clubs, tribal casino facilities, or any other*  
38 *category of gaming establishment.*

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